

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

RECEIVED

APR 19 2004

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03782A
Heckethorn Water Company
4400 E. Button Lane
Flagstaff AZ 860010000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) HECKETHORN WATER COMPANY

Mailing Address 4400 E. BUTTON LANE
(Street)

FLAGSTAFF
(City)

ARIZONA
(State)

86001
(Zip)

928-213-1778
Telephone No. (Include Area Code)

928-213-1778
Fax No. (Include Area Code)

928-527-5090
Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address 4400 E. BUTTON LANE
(Street)

FLAGSTAFF
(City)

ARIZONA
(State)

86001
(Zip)

928-213-1778
Local Office Telephone No. (Include Area Code)

928-213-1778
Fax No. (Include Area Code)

928-527-5090
Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: WILLIAM F. LESKO OWNER
(Name) (Title)

5210 E. DAPHNE LANE
(Street)

FLAGSTAFF
(City)

ARIZONA
(State)

86001
(Zip)

928-779-0543
Telephone No. (Include Area Code)

928-213-1778
Fax No. (Include Area Code)

928-380-8745
Pager/Cell No. (Include Area Code)

Email Address LETSGO16@JUND.COM

On Site Manager: WILLIAM F. LESKO
(Name)

5210 E. DAPHNE LANE
(Street)

FLAGSTAFF
(City)

ARIZONA
(State)

86001
(Zip)

928-779-0543
Telephone No. (Include Area Code)

928-213-1778
Fax No. (Include Area Code)

928-380-8745
Pager/Cell No. (Include Area Code)

Email Address LETSGO16@JUND.COM

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>N/A</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: <u>N/A</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|--|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input checked="" type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME *HECKETHORN WATER COMPANY 12-31-03*

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	<i>8000</i>		<i>8000</i>
304	Structures and Improvements	<i>1936</i>	<i>271</i>	<i>1665</i>
307	Wells and Springs	<i>6976</i>	<i>1190</i>	<i>5786</i>
311	Pumping Equipment	<i>16090</i>	<i>4675</i>	<i>11415</i>
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	<i>32298</i>	<i>873</i>	<i>31425</i>
331	Transmission and Distribution Mains	<i>9507</i>	<i>1203</i>	<i>8305</i>
333	Services	<i>1180</i>	<i>201</i>	<i>979</i>
334	Meters and Meter Installations	<i>886</i>	<i>196</i>	<i>690</i>
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment	<i>2443</i>	<i>885</i>	<i>1558</i>
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	<i>79316</i>	<i>9493</i>	<i>69823</i>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

HECKETHORN WATER COMPANY 12-31-03

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	8000		
304	Structures and Improvements	1936	2.47	47
307	Wells and Springs	6976	2.97	207
311	Pumping Equipment	16090	5.05	813
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	4398 27900	1.80 1.80	79 419
331	Transmission and Distribution Mains	9507	2.20	209
333	Services	1180	2.96	35
334	Meters and Meter Installations	886	3.82	34
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	2443	6.50	159
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	79316		2002

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME HECKETHORN WATER COMPANY 12-31-03

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 9353	\$ 6956
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 9353	\$ 6956
	FIXED ASSETS		
101	Utility Plant in Service	\$ 51416	\$ 79316
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	7491	9493
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 43925	\$ 69823
	TOTAL ASSETS	\$ 53278	\$ 76779

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME HECKETHORN WATER COMPANY 12-31-03**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	115	115
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 115	\$ 115
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 32845	\$ 27101
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	4511	-
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 4511	\$ -
	TOTAL LIABILITIES	\$ 37471	\$ 27216
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	15807	49563
	TOTAL CAPITAL	\$ 15807	\$ 49563
	TOTAL LIABILITIES AND CAPITAL	\$ 53278	\$ 76779

COMPANY NAME HECKETHORN WATER COMPANY 12-31-03

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 28367	\$ 28600
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 28367	\$ 28600
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 454	\$ 518
610	Purchased Water		
615	Purchased Power	4860	4672
618	Chemicals	60	-
620	Repairs and Maintenance	3723	3580
621	Office Supplies and Expense	1784	2794
630	Outside Services	1153	1100
635	Water Testing	741	771
641	Rents	-	165
650	Transportation Expenses	-	-
657	Insurance - General Liability	1222	1508
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	1583	2002
408	Taxes Other Than Income	1835	1748
408.11	Property Taxes	1114	1129
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 18729	\$ 20788
	OPERATING INCOME/(LOSS)	\$ 9638	\$ 7812
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	2772	1956
	TOTAL OTHER INCOME/(EXPENSE)	\$ 2772	\$ 1956
	NET INCOME/(LOSS)	\$ 6866	\$ 5856

COMPANY NAME HECKETHORN WATER COMPANY 12-31-03

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	3-1-99			
Source of Loan	BANK			
ACC Decision No.				
Reason for Loan	PURCHASE			
Dollar Amount Issued	\$ 53231	\$	\$	\$
Amount Outstanding	\$ 27101	\$	\$	\$
Date of Maturity	8-01-07			
Interest Rate	7.05%			
Current Year Interest	\$ 1956	\$	\$	\$
Current Year Principle	\$ 5744	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME HECKETHORN WATER COMPANY 12-31-03

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
611228	25	55	200	12"	2	~59

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2	N/A	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
4,000	1	500	1
10,000	1		
40,000	1		

COMPANY NAME HECKETHORN WATER COMPANY 12-31-03

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	GAL PVC	200? ONE LINE EACH
3	GAL	1074
4	STEEL	4,000 EST
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	36
3/4	4
1	2
1 1/2	2
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:
CL₂ LIQUID INJECTION.

STRUCTURES:
BOOSTER STATION - CONTAINS 6K9 TANK, 500g PRESSURE TANK
WELL HEAD
TWO STORAGE TANKS FENCED 10,000 AND 40,000.

OTHER:
DITCH WITCH TRENCHER
VARIOUS HAND TOOLS

COMPANY NAME: HECKETHORN WATER COMPANY 12-31-03

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	44	252,000	
FEBRUARY	44	220,300	
MARCH	44	239,700	
APRIL	44	287,500	
MAY	44	408,800	
JUNE	44	441,200	
JULY	44	464,400	
AUGUST	44	335,600	
SEPTEMBER	44	309,200	
OCTOBER	44	308,800	
NOVEMBER	44	291,000	
DECEMBER	44	261,000	
TOTAL		N/A	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(☒) Yes () No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (☒) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. <0.005 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____

YEAR ENDING 12/31/2003

PROPERTY TAXESAmount of actual property taxes paid during Calendar Year 2003 was: \$ 1,129.44

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

932-20-100 91-2-1221 1681

HECKTHORN WATER CO.
4400 E. BUTTON LANE PH. 520-213-1778
FLAGSTAFF, AZ 86001

DATE 10-31-03

PAY TO THE ORDER OF Bonnie K. Kracke, Coconino Cty. Treasurer \$ 1,129.44
One thousand one hundred twenty nine and 44/100 DOLLARS

BANK ONE
Bank One, NA
Phoenix, Arizona 85073
www.bankone.com

MEMO TAX ROLL # 168280

MP

⑆ 122100024⑆ 20632895⑆ 1681 ⑆0000112944⑆

BANK ONE, NA
111901331
11182003

56714772

PAY TO THE ORDER OF
WELLS FARGO BANK ARIZONA NA
122105278WEB 1 TEMPE, AZ 11172003
3397 04530831729 4
55001-6507-8
BONNIE K. KRACKE
COCONINO COUNTY TREASURER
4784903889DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

ENDORSE HERE

COMPANY NAME HECKETHORN WATER COMPANY YEAR ENDING 12/31/2003

INCOME TAXES

*NOT A TAXABLE ENTITY
BY MYSELF*

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 19 2004

VERIFICATION

Z CORPORATION COMMISSION
DIRECTOR OF UTILITIES

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>COCONINO</u>	
NAME (OWNER OR OFFICIAL) <u>WILLIAM F. LESKO</u>	TITLE <u>OWNER</u>
COMPANY NAME <u>HECKETHORN WATER COMPANY</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

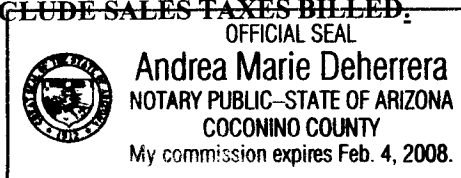
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 26,689.09

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,737.57
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



William F. Lesko
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

NOTARY PUBLIC NAME <u>Andrea Marie Deherrera</u>	
COUNTY NAME <u>COCONINO</u>	
MONTH <u>3-26</u>	2004

(SEAL)

MY COMMISSION EXPIRES 2-4-08

X Andrea Marie Deherrera
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

APR 19 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>COCONINO COUNTY</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>WILLIAM F. LESKO</u>
COMPANY NAME	<u>HECKETHORN WATER COMPANY</u>

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 26,629.09

(THE AMOUNT IN BOX ABOVE
INCLUDES \$
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

William F. Lesko
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY OF

COUNTY NAME	<u>Coconino</u>
MONTH	<u>2004</u>
<u>Andrea Marie Deherrera</u> SIGNATURE OF NOTARY PUBLIC	

(SEAL)

MY COMMISSION EXPIRES 2-4-2008